

BUSINESS PLAN OUTLINE

The following pages provide a suggested outline of information that should be included in your Business Plan. Depending upon the specific nature and needs of your business, each plan may vary. Discuss with your lender or investor the specific requirements for financing prior to completing your plan.

- I. **COVER SHEET:** This serves as your title page
 Name, address, phone number of the company (if not sure, list proposed address and your home phone number).
 Names, title, address phone number of owner(s) (corporate officers, if incorporated)
 Month and year the plan was prepared
 Name of preparer or those who assisted (if not owner)
 Copy number of plan

- II. **EXECUTIVE SUMMARY:** This is an overview of the entire plan. This should be written **Last** and should use such key words as, *who, what, when, where, why and how much* to summarize the following:
 The who, what, when and where of your company.
 What your objectives are
 Why you will be successful in this venture
 If you are seeking financing, explain why you need it, how much you need and how you plan to repay the loan or benefit the investor.

- III. **TABLE OF CONTENTS**

- IV. **ORGANIZATIONAL PLANS**
 Description of /the Business
 Give an overview of the nature of the business. Tell when and why the company was formed, describe the nature and uniqueness of the services and/or products provided, and review the general development of the company- why you want to start this particular business. Project a sense of where you see your company going in the next few years. Do not exceed one page and do not make broad, general statements. Be specific.

 Products and Services
 If you are a manufacturer and /or wholesale distributor of a product:
 Describe your products. Tell about your manufacturing process. Include information on suppliers and availability of materials/products.
 If you are a retailer: Describe the products you will sell. Include information about your sources(suppliers and alternate sources) of inventory.
 If you provide a service: Describe the initial services and any you plan to offer in the future. Tell about your background in the industry and why you are qualified to offer the service. List special certifications, licenses, etc.

Legal Structure

Tell what legal structure you have selected and why this is best for your and your company. List the owners or corporate officers together with short biographies.

Management

List the people who are (or will be) actually running the business (those responsible for operation). Describe their responsibilities and why they are qualified (experience and expertise). List projected salaries and include resumes in *Supporting Documentation* section.

Personnel

Talk about what tasks will be done on a day-to-day basis and who will be doing the work. What skills and educational level will be required of personnel? Include the number of hours each person will work and how they will be compensated-hourly wages, commissions, bonuses, etc.

Record Keeping and Accounting

What system will you set up for maintenance of financial records? Who will be responsible for tax accounting? What plan to do you have for periodic financial analysis? Project costs associated with accounting services.

Insurance

What kinds of insurance (Property, Liability, Life & Health, Auto, Disability, Business Interruption, etc.) will be needed to protect you and your business from loss? What will be the cost and whom will you use for a carrier?

Security

What security issues need to be addressed with regards to inventory control, theft, vandalism, break-ins, (*customer identity*) etc? Project associated costs.

- V. **MARKETING PLAN:** This part of your Business Plan covers research and reaching the customer. It includes information about the total market with emphasis on your specific target market. It will identify your customers and tell about the means you will utilize to make your products or services available to them.

Target Market

Identify the characteristics of your customers. Tell how you arrived at your results. Back up statements with demographics, questionnaires or surveys. Project the size of your market.

Competition

Profile and evaluate your competitors with regard to products, pricing, location and business history. Explain how you plan to compete.

Promotion

How will you get your message to your customers? Your goal is to create a positive image, so be sure to include samples of promotional materials, advertisements and timelines for ad campaigns. Discuss paid advertising (newspapers, radio, television, outdoor and specialty), publicity (media features, reviews), direct mail (discuss costs vs. return) and other activities specific to the industry (trade show, markets, etc.).

Pricing

Discuss the results of your market research, the cost of your product or service and how you arrived at your pricing structure. Be sure to back this up with materials from research.

Location/Facility

Discuss in detail the location of the business. Tell why this particular location is favorable. Is the facility adequate for the type and volume of business? Discuss such issues as traffic counts, accessibility, parking, other businesses in the immediate area, etc. If there are repairs or improvements that need to be made to the building, be sure to discuss in detail the needed repairs and the costs.

Timing of Market Entry

Tell when you plan to enter the market and why this decision has been made.

Industry Trends

Discuss current trends in the industry, how the market has changed in the past and/or how it may change in the future. Tell how you will adjust the way you do business in order to remain competitive.

VI. FINANCIAL PROJECTIONS AND DOCUMENTATION

Summary of Financial Need

This includes what funds are needed to start the business. All sources (personal, loans and investors) are included. Details of how the money will be appropriated.

Pro Forma Cash Flow

This projects what your Business Plan means in terms of actual dollars and how the money will flow through the business once you are operating. It is of prime interest to the lender or investor because it shows your ability to repay loans and the investors' potential for ROI.

Two-Year Projected Profit and Loss

This statement shows projected revenues and costs associated with doing business on a yearly basis. Costs are projected not only in dollars but also in percentage of gross receipts for comparison to like businesses in the same type markets.

Balance Sheet

Shows the condition of the business as of a fixed date. It is a picture of your company's financial condition at a particular moment and will show whether your financial position is strong or weak. It is also done at the close of an accounting period and contains assets, liabilities and net worth. New businesses are usually required by the lender to furnish a projected balance sheet with their loan application.

VII. SUPPORTING DOCUMENTATION: This section of your Business Plan will contain all of the records that back up the statements and decisions made in the main sections of your plan. Include only items that are relevant to your plan. Do not add "Fluff" – it is not necessary and considered a BIG mistake. Some items you will need to include are:

RESUMES: Include resumes on any owner and/or manager

OWNERS PERSONAL FINANCIAL STATEMENTS

CREDIT REPORT

COPIES OF LEASES, MORTGAGES, PURCHASE AGREEMENTS, ETC.

LETTERS OF REFERENCE

CONTRACTS

PHOTOGRAPHS

OTHER LEGAL DOCUMENTS: Legal papers pertaining to legal structure, proprietary rights, insurance, partnership agreements, quotations on equipment and inventory purchases, shipping contracts, etc.

MISCELLANEOUS DOCUMENTS

VIII PUTTING YOUR PLAN TOGETHER: Your Business Plan should look professional, but the potential lender or investor needs to know that you prepared it. A Business Plan will be the best indicator that can be used to judge your potential for success. It should not be more than 20 – 30 pages in length, excluding supporting documentation.

Have your plan typed in black ink and bound neatly together. Make copies for each lender or investor you plan to approach. Keep track of each copy you distribute. If you are not successful in obtaining financing with a particular institution or investor, be sure to retrieve all copies of your plan as quickly as possible.

U.S. Small Business Administration



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